

**Producer Advisory Council
Meeting Minutes**

**January 16, 2013
12:00-1:30pm
Division of Insurance
1560 Broadway, Suite 850
Denver, CO 80202
Conference Room 850-B**

Council Members:

Professional Independent Insurance Agents of Colorado (PIIAC)
National Association of Insurance & Financial Advisors

Rocky Mountain Insurance Information Association (RMIIA)
Colorado State Association of Health Underwriters (CSAHU)
Long Term Care Forum of Colorado
Society of Financial Service Professionals
Land Title Association of Colorado
Industry
Industry
Industry

Individual Contact:

Gary Frisch, Chair
Hartman Axley, Vice-Chair
James Evans
Coleen Love
Carole Walker
Dorothy Marshall
Aaron Eisenach
Robert L. Avery
Greg Wolff
Steve Caldara
Jim Passarelli
Roy Webb

Division of Insurance:

Commissioner Riesberg, Paula Sisneros, Jo Donlin, Dayle Axman and Caryn Berumen

Administrative Matters

- The meeting was called to order.
- The minutes from the December 13, 2012 PAC meeting were approved.
- Membership – The members voted to suspend both Colorado Group Insurance Association (CGIA) and Financial Planning Association of Colorado until they are represented on the Producer Advisory Council. Rocky Mountain Employers Health Alliance (RMEHA) was removed from the roster because it no longer exists.
- New Officers – Elections were held. The members voted Dorothy Marshall as the new Chair of the Producer Advisory Council and Aaron Eisenach is the Vice-Chair.

Legislation

Jo Donlin provided the following update:

- Federal State Health Insurance Alignment Bill (not yet introduced) – Sponsored by Rep. Beth McCann. This bill will align the federal and state statutes that are in conflict. Align state with federal minimum requirements of healthcare reform. Two goals of the bill are: to have one set of rules and to prevent adverse selection in the Exchange. It is important to create a healthy market that works for Colorado.
- Market Surveillance Statutes (not yet introduced) - This bill will repeal some of the statutes associated with market surveillance. In 2006 the Division adopted the NAIC model act however it has confused the industry because it conflicts with the current market conduct statutes.
- Health Cost Report (HB 1223): Every year the Division publishes a health cost report that looks at trends and health cost. The Division seeks to amend the statute to allow the Commissioner to have rulemaking authority to determine the threshold by which DOI will collect data from insurers.
- Public Adjusters (HB 1062) – This bill will ensure that consumers are protected. Will prohibit public adjusters from having a conflict of interest. For example a public adjuster cannot be the roofer and the adjuster. Roofers have expressed some concern because they don't want to lose what they gained in SB 38.
- Homeowners Bill (HB 1225) – Sponsored by Claire Levy. Value policy issues may be wrapped up in this bill.
- Governor's new task force: Wildfire Insurance Forest & Safety task force – created by Executive Order – This task force will look at fire issues from an Emergency Management viewpoint and effect of fires from the financial side. DORA's Executive Director, Barbara Kelley, is chair and the Commissioner will have a role as well.
- Introduction of Vince Plymell, the Division's Communications Manager.

Essential Health Benefits Update

- The Division has submitted a benchmark plan to HHS and it is still under review. There are some issues that still need to be addressed. Kaiser 1200 D is the benchmark plan in Colorado. The benchmark plan is the plan that every carrier will have to offer as far as the type of services covered. Then the carriers will have to decide on co-pays, deductibles and out-of-pocket in order to hit the 60, 70, 80, or 90 percent levels of the reimbursement (metal plans). When looking at the benchmark plan, it is best not to consider any of dollar amounts listed. The carriers need to look at the essential health benefit categories covered (services). When the carrier is putting together its plans it will decide what kind of deductible and other cost-sharing levels are needed in order to reimburse according to the metal plan requirement.
- The metal plans (bronze, silver, gold, and platinum) are actuarially equivalent to certain percentage levels of the reimbursement to the consumer.
- The benchmark plans are good for 2014 and 2015. A national benchmark plan may be in place for 2016.

Rulemaking Update

No rulemaking update

Commissioner's Update

- The Exchange
 - A presentation will be made to the General Assembly on January 24, 2013.
 - Alignment bill – Colorado is moving in a positive direction. The plans are being developed. April 1, 2013 is the deadline for the submission of plans. Rates need to be reviewed by October 1, 2013 and on January 1, 2014 the Exchange will go live. Colorado needs to be self-sufficient by January 1, 2015.
 - The 6 month Open enrollment period for the Exchange is from October 1, 2013 through March 31, 2014 for individuals and shop (group). Choices can be made in October but the policies will be effective January 1, 2014. In 2014 there will be about 150,000 people looking for health insurance.
 - 2.5 million people between the ages of 19 and 26 will have coverage. Millions of children will be covered even if they have a pre-existing condition.
- Creation of Wildfire Insurance and Safety Commission – formed to take a broader look at the whole picture regarding wildfires. The Commissioner is on the task force and Executive Director Kelley is the chair.
- This year seniors had \$524 extra due to Medicare being re-written (shrinking doughnut hole).

Action Items

- Next meeting February 20, 2013